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Programme and of the
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I. Organizational matters

1. The first regular session 2003 of the Executive Board of UNDP and UNFPA was held at United Nations Headquarters, New York, from 20 to 23 January.

2. The Executive Board elected the following members of the Bureau for 2003:

President: H.E. Mr. Roble Olhaye	(Djibouti)
Vice-President: H.E. Mr. Ahmed Al-Haddad	(Yemen)
Vice-President: Mr. Denys Toscano	(Ecuador)
Vice-President: Mr. Juraj Koudelka	(Czech Republic)
Vice-President: Ms. Kjersti Rodsmoen	(Norway)

3. Upon his election, the new President made an introductory statement that was posted on the web site of the Executive Board secretariat at www.undp.org/execbrd.

4. At the session, the Executive Board approved the agenda and work plan for its first regular session 2003 (DP/2003/L.1 and Corr.1), as orally amended, and its annual work plan 2003 (DP/2003/CRP.1). The Executive Board also approved the report on the second regular session 2002 (DP/2003/1).

5. Decisions adopted by the Executive Board in 2002 appeared in document DP/2003/2 while decisions adopted at the first regular session 2003 were included in document DP/2003/10, which could be accessed on the web site of the Executive Board secretariat at www.undp.org/execbrd.

6. The Executive Board agreed to the following schedule of future sessions of the Executive Board in 2003:

Annual session 2003: 6 June and 9-20 June 2003 (New York)
Second regular session 2003: 8 to 12 September 2003.

Working methods of the Executive Board

7. In their comments on follow-up to the report on the rationalization of documentation and the streamlining of the working methods of the Executive Board (DP/2003/CRP.6), delegations focused on formalizing discussions at the sessions of the Board, creating sub-groups on themes to be agreed on in the work plans of the Board and improving the relationship between the Board and programme countries.

8. One outcome of the informal debates on improving the working methods of the Executive Board was the agreement that the agenda and work plan of sessions of the Board should be prepared and owned by the Board. Accordingly, the work plan for the annual session in June 2003 was extensively discussed in regional groups and in the plenary, resulting in some amendments. The revised work plan was posted on the Executive Board web site at www.undp.org/execbrd.

9. One delegation emphasized the importance of reaching a consensus on what actually were the inadequacies in existing methods, before considering proposals for their rectification. The delegation maintained that in most of the cases such inadequacies might be resolved within the framework of the existing rules of procedure. It also cautioned that a number of proposals contained in document

DP/2003/CRP.6 could have far-reaching consequences in the functioning of other United Nations bodies as well as financial consequences to UNDP, and might require legal counsel and consultations with United Nations conference services.

10. The Executive Board adopted decision 2003/1 (see document DP/2003/10) on improving the working methods of the Board in which members of the Board agreed, inter alia, that an item on improving the working methods of the Board should be included in the agenda of the annual session in June 2003.

UNDP segment

II. UNDP Business Plans 2000-2003

11. The Executive Board congratulated the Administrator and staff for their fine work in the implementation of the Business Plans, 2000-2003, and took note of the conference room paper providing additional information (DP/2003/CRP.8).

12. Delegations appreciated that UNDP had been transformed into a more effective, focused, decentralized and knowledge-based organization. At the country level, they noted that the resident coordinator system was producing impressive results. They also felt, however, that the Business Plans could have indicated areas where progress had been constrained, the nature of the constraints and what was being done to correct the situation. Some delegations recommended that an evaluation of the entire period of the Business Plans should be conducted to assess the impact of the transformation effort on the development results of the organization. Others suggested that an informal briefing session could be held in 2003 to allow for final analysis of the Business Plans, discuss what work remains, and determine how to integrate the Business Plans into the multi-year funding framework (MYFF) process and the biennial support budget, which would be presented to the Board at its second regular session in September 2003.

13. Delegations stressed that the increase in UNDP resources, especially the reversal in the declining trend of regular (core) resources, was a reaffirmation of the organization's steady progress in the right direction. They underscored, however, that unless core resources, which remained the bedrock of the organization, increased considerably, UNDP would not be able to fulfill its mandate. They stressed again that other (non-core) resources should complement and not replace regular resources.

14. The role of UNDP as campaign manager and scorekeeper in the implementation of the Millennium Development Goals (MDGs) was appreciated. Delegations noted, however, that the implementation of the MDGs was a multi-partner arrangement and UNDP should integrate its activities within the United Nations system and work closely with other multilateral institutions, especially the World Bank. They also stressed the vital role of UNDP in coordination and harmonization activities among United Nations organizations to avoid duplication. Delegations stressed the primary role of Governments and other national entities, such as civil society organizations, in designing, implementing and reporting on the MDGs. The role of technical cooperation among developing countries (TCDC) in the implementation of the MDGs was also encouraged.

15. The political (peace and security) and development dimensions were stressed as two sides of the same coin. To implement its mandate effectively, therefore, it was recommended that UNDP should work closely with concerned departments in the United Nations Secretariat.

16. Regarding the *Human Development Report*, some delegations recommended that UNDP should monitor the preparation of the reports closely to ensure that unreliable or incomplete data would not compromise their quality. It was also suggested that statistics from relevant national statistical departments and international institutions should be used in preparing the reports. It was also recommended that the issue of the *Human Development Report* should be taken up at the annual session of the Executive Board in June 2003.

17. In response, the Administrator observed that there was a strong concern to continue to mobilize core resources to match the vote of confidence in the organizational reforms that had taken place. He appreciated the recent growth in core resources but noted that the situation remained fragile and would not allow UNDP to address adequately and in a sustainable manner the many challenges and priorities of programme countries.

18. The Administrator concurred that there was a need to demonstrate that results were being achieved. He recommended that an external body should evaluate the work of UNDP and report on the impact of the implementation of the Business Plans – not only relating to internal changes – as they have affected development results on the ground in programme countries.

19. The Administrator stated that UNDP planned to make some modest shifts in the MYFF to reflect more comprehensively new priorities, including the need to align practice areas and the MDGs. He noted that the new Bureau for Crisis Prevention and Recovery (BCPR) had done a commendable job despite its limited capacity and that its programmes had been mainstreamed into the work of UNDP. To address the increasing challenges adequately, however, the capacity of BCPR needed strengthening. He indicated that UNDP would be presenting proposals to fortify BCPR in 2003.

20. The Administrator shared the sense of urgency regarding follow-up to the International Conference on Financing for Development in Monterrey and the World Summit on Sustainable Development in Johannesburg, stressing the need to move forward, especially in the area of public-private partnership. He also pointed to the importance of gaining actionable proposals from programme countries in the priority areas of water, energy, healthcare, agriculture and biodiversity with the support of civil society organizations. He underscored that UNDP would largely play a coordination and catalytic role, emphasizing the need to find innovative ways in which to move from rhetoric to real development. To that end, he underlined the vital role of South-South cooperation and other UNDP priority areas.

21. The Administrator reported the crucial links between information technology and business processes. He stressed that the acquisition of the Enterprise Resource Planning (ERP) software in UNDP would simplify business processes. The topic would be taken up in 2003.

22. The Administrator observed that the MDGs constituted a central organizing framework that set priorities for all stakeholders. He pointed out that the management and ownership of the MDG process were the responsibility of national

authorities, with the United Nations playing a promotional and supportive role. Within the framework of goal eight of the MDGs – developing a global partnership for development – he noted that, at the Monterrey conference, a compact had been made between the developing countries and their donor partners. The former agreed to undertake the necessary reforms and the latter to provide funding where those reforms were taking place.

23. The Administrator supported the idea of holding regular discussions on matters related to HIV/AIDS and the Joint United Nations Programme on HIV/AIDS (UNAIDS). He suggested that discussions should take place in a broader framework whereby the priorities and roles were specified in the fight against the epidemic. He also called for better coordination to mobilize adequate resources.

24. The Administrator concluded by emphasizing that harmonization and simplification formed a critical part of UNDP work. It was vital, he stressed, to have a simpler set of rules and procedures that cut across all funds and programmes and in turn connected to a much simpler process for multilateral development banks and bilateral donors. In the end, simplified rules and procedures would reduce transaction costs on programme countries.

25. The statement by the Administrator of UNDP to the Executive Board was posted on the UNDP web site at www.undp.org/execbrd.

III. Country programmes and related matters

26. The Executive Board approved, on a no objection basis, the country programmes for Bahrain, Bolivia, Botswana, Cameroon, Cape Verde, Comoros, Côte d'Ivoire, Cuba, Democratic Republic of the Congo, Dominican Republic, Equatorial Guinea, Guinea Bissau, India, Jordan, Liberia, Libyan Arab Jamahiriya, Malaysia, Maldives, Mali, Mauritania, Nigeria, Papua New Guinea, Seychelles, Samoa, Timor-Leste and Venezuela; the multi-country programme for the Cook Islands, Niue and Tokelau; and the multi-country programme for the Pacific Island countries. The Board also approved the extensions of the country cooperation frameworks for the Central African Republic and Thailand (DP/2003/8).

27. Following adoption of the country programmes on a no-objection basis, one delegation, speaking on behalf of Member States from the Western Europe and other States group, stated that those countries had joined the consensus on the Côte d'Ivoire programme to ensure that funding for the programme would not be delayed. The delegation, however, regretted that latest developments in Côte d'Ivoire had not been reflected in the country programme adopted a short time earlier. She recommended that the Executive Board explore ways in which to update a country programme after it had been finalized in order to account for exceptional developments.

28. The Executive Board also commented on the note by the Administrator on the country programme outline for Djibouti (DP/2003/4). It was suggested that the Government should work closely with the Intergovernmental Authority on Development (IGAD) in finalizing and implementing the country programme.

29. The Executive Board took note of the country programme outline for Djibouti (DP/CPO/DJI/1), and the comment made thereon, and the corrigendum to the second country cooperation framework for Panama (DP/CCF/PAN/2/Corr.1).

Assistance to Myanmar

30. The Assistant Administrator and Director, Regional Bureau for Asia and the Pacific, introduced the Note by the Administrator on UNDP assistance to Myanmar (DP/2003/3). He reaffirmed that the work of the assessment mission had been undertaken within the Executive Board mandate.

31. Delegations commented on the note and congratulated the Resident Coordinator and his colleagues for their efforts in implementing the Human Development Initiative (HDI) at the grass-roots level, often under difficult circumstances. They recognized that the needs of the population were great and underscored the urgency for expanded UNDP assistance at the grass-roots level. They expressed concern over the deteriorating socio-economic and environmental situation in Myanmar, including the HIV/AIDS epidemic, which could negate the impact on the sustainability of HDI achievements. Some delegations called for greater coordination in order to improve the effectiveness of the programme.

32. Regarding the UNDP mandate, three options emerged: (a) some delegations stated that they could not agree to flexibility in the current Executive Board mandate since the political situation had not improved sufficiently; (b) other delegations were prepared to be more flexible for UNDP to discuss policy issues with national authorities as they related to HDI areas; (c) others argued that UNDP should be given more flexibility to work with national authorities and possibly return to normal country programming as soon as possible.

33. Recommendations by the assessment mission were reviewed by the Executive Board within the framework of the current mandate governing UNDP assistance to Myanmar. There were different views on recommendations (d) on the micro-finance project and (g) on engaging personnel from the Agriculture and Forestry Departments as technical partners in relevant HDI sectors. Informal consultations were undertaken to resolve the differences.

34. In response, the Assistant Administrator and Director thanked delegations for their comments, noting that there was general recognition that the HDI had a successful impact on the target communities.

35. He reported that the humanitarian assessment report would be distributed to the international community in the first quarter of 2003. He also updated the Executive Board on the proposed poverty assessments and household surveys that would be undertaken during HDI phase IV, for which extensive preparatory work had been undertaken in 2002.

36. The Director observed that since there were no comments on recommendations (a), (b), (c) and (f), it was concluded that the Executive Board had endorsed them.

37. After further consultations on recommendations (d) and (g), the Executive Board adopted decision 2003/2 (see document DP/2003/10) on assistance to Myanmar in which, inter alia, it encouraged UNDP, within its mandate, to enhance the impact of

HDI phase IV, taking into account the report submitted by the independent assessment mission.

IV. Financial, budgetary and administrative matters
V. United Nations Office for Project Services

38. The Assistant Administrator and Director, Bureau of Management (BOM), introduced the report on the special reserve for separations relating to the United Nations Office for Project Services and the liabilities affecting UNDP (DP/2003/CRP.2). The Executive Board took note of the report without comment.

39. The Under-Secretary General, Department of Economic and Social Affairs, representing the Chairman of the Management Coordination Committee (MCC), made some introductory remarks. The Deputy Executive Director, United Nations Office for Project Services (UNOPS), introduced the report of the UNOPS Executive Director on the implementation of the UNOPS revised budget 2002 (DP/2003/CRP.3) and the independent review pertaining to the business model and related issues of the United Nations Office for Project Services (DP/2003/CRP.4). Also introduced and distributed as an information paper was the update on the implementation of the UNOPS revised budget 2002.

40. Delegations reviewed the reports on the work of UNOPS. They were pleased to see that progress had been made in the implementation of the 2002 budget, especially in project delivery and administrative expenditure, despite a difficult environment. In that regard, tribute was paid to the extraordinary efforts of UNOPS staff. They noted with cautious optimism the positive trend in UNOPS business variables and the projections that the operational reserve would remain above the $2 million threshold. They underlined, however, their previous concerns over the low level of the operational reserve. They urged the MCC and the management of UNOPS to continue to monitor the situation closely. They recommended strongly that the independent review should be undertaken without further delay so that the recommendations could be available before the new Executive Director was appointed. Several delegations announced contributions to cover the expenses of the independent review mission and requested that the selection of the review team should be undertaken as soon as possible, through an open, transparent and competitive process.

41. Delegations reaffirmed the importance and necessity of UNOPS as a service provider to United Nations organizations. They reiterated its independent and self-financing character.

42. In response, the Deputy Executive Director, UNOPS, observed that 2002 had been a difficult year because the organization had to undertake significant organizational changes while maintaining the level of service delivery. Notwithstanding, at year-end, results were apparent in income and expenditure with a cautious optimism for further improvements by closure of accounts for 2002. He noted that the management of UNOPS concurred with the concerns expressed by some delegations about the low level of the operational reserve. He assured the Executive Board that UNOPS would do everything to keep the level above the contingency plan preparedness threshold of $2 million.

43. Regarding the issue of full cost-recovery, the Deputy Executive Director reported that a UNOPS task force had examined and made proposals on issues related to the UNOPS fee structure that were being reviewed by management. UNOPS would present the findings and recommendations of the report to the MCC and share the outcome with the Executive Board in 2003. He stressed that full cost-recovery was a fundamental requirement of the UNOPS business model.

44. On the independent review, he observed that the Executive Board had approved comprehensive terms of reference at its second regular session in September 2002. He added that once adequate resources had been mobilized to cover the cost of the review, the team could start the review exercise immediately so that the report would be ready before the assumption of duty by the new Executive Director. He thanked those delegations that had made contributions for that purpose. He assured the Board that UNOPS, for its part, would help to ensure that the selection process for the review team would be transparent and competitive.

45. He stated that the report on the contingency plan with regard to the operational reserve (DP/2002/35/Add.2) had been reviewed and endorsed by the Executive Board in its decision 2002/21. UNOPS was already implementing some elements of the plan intended to control expenditures and to generate additional resources. He said that he did not foresee a liquidity problem and assured the Board that the situation would continue to be monitored closely by UNOPS management and the MCC.

46. He concluded by noting that the financial updates had been obtained from recorded actual figures, which had been adjusted downwards for prudential purposes.

47. The acting President of the Board, delegations, the representative of the MCC and the Deputy Executive Director of UNOPS paid tribute to Mr. Reinhart Helmke, the retiring Executive Director of UNOPS, for his 30 years of service to UNOPS and to other organizations of the United Nations both in the field and at Headquarters. They praised his stewardship in the establishment and growth of UNOPS, bringing it to the prominent role it was playing in the United Nations system. The acting President of the Board highlighted the service of Mr. Helmke as Director of the UNDP Division for Europe and the Commonwealth of Independent States, when he was responsible for opening a number of country offices, as well as his contribution as resident representative in Haiti at a critical time. They wished him well in his retirement.

48. The Executive Board was informed that the Secretary-General had appointed Mr. Gerald Walzer as interim Executive Director of UNOPS.

49. The Executive Board adopted decision 2003/3 on the financial situation of UNOPS, including changes in the level of the operational reserve, and decision 2003/4 on the independent review of UNOPS (see document DP/2003/10).

VI. Field visits

50. With regard to field visits, delegations expressed appreciation to the secretariat of the Executive Board for the conference room paper on field visits for 2003 (DP/2003/CRP.5). They endorsed the selection of Mozambique for the joint field

visit and Ecuador for the UNDP/UNFPA field visit in 2003. It was recommended that, given the importance of the joint report on field visits, guidelines on its preparation should be prepared and issued in advance of the mission. One delegation suggested that the role of UNDP and UNFPA in supporting South-South cooperation should be discussed during the field visit.

51. Comments were also made on the size of the mission and the number of annual joint field visits to enable wider participation of members of the Executive Board and ensure the effectiveness of such visits. The Board approved the terms of reference for the joint field visits in its decision 2003/6 and agreed on the proposed dates of ten working days and composition of up to 20 members for field visits.

Joint UNDP/UNFPA segment

VII. Recommendations of the Board of Auditors 2000-2001

UNDP

52. The Assistant Administrator and Director, BOM, introduced the report (DP/2003/6) and the update (DP/2003/CRP.7) on the implementation of the recommendations of the Board of Auditors for the biennium 2000-2001. Delegations commended the initiative of UNDP to create a fraud-prevention strategy that should be emulated by other United Nations organizations. The organization's achievements and improved effectiveness in contract management were also underscored. Delegations welcomed the unqualified opinion of the Board of Auditors and thanked UNDP for the report and the update.

53. Delegations supported the concept of capacity-building for national execution auditors and the use of country programme funds for that purpose. They stressed the need for transparency in financial management to preserve and attract additional funding and reliable partners.

54. Some delegations regretted that some of the recommendations of the Board of Auditors had not yet been applied in country offices. Some offices continued to be characterized by inadequate cost-recovery and a failure to meet deadlines such as submissions for 2001 inventory reconciliation. They also requested better monitoring of inactive trust funds and trust funds in deficit. They asked to be kept informed on the implementation of the ERP system and how the ERP would resolve some of the issues related to the Integrated Management Information System (IMIS). They also requested that UNDP should intensify its audit coverage of national execution and complete its reconciliation of the balances of United Nations organizations and Governments. They also requested that UNDP should take the necessary steps to have proper inventory control. Some delegations requested that UNDP should settle the outstanding balances from other funds and programmes related to the reserve for field accommodations.

55. Several delegations strongly recommended that the presentation of accounts should be harmonized and simplified.

56. In his response, the Assistant Administrator and Director, Bureau of Management (BOM), observed that UNDP had recently completed cost-recovery guidelines for country offices. He added that the United Nations Development Group (UNDG) had, within the simplification and harmonization arrangements, established a working group to report on financial and non-financial matters relating to donors.

57. Regarding the implementation of the ERP and PeopleSoft, the Director reported that UNDP would brief the Executive Board at its annual session or second regular session 2003. He also reported that arrangements had been made to brief the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on the implementation of ERP. He informed the Board that the ERP had been designed to assist the auditors by providing clear electronic audit files to enhance data quality, ensure timely delivery and make improvements in functional areas such as procurement. He stated that ERP would replace the Integrated Management Information System (IMIS).

58. On cooperation with other partners who had selected an ERP, especially PeopleSoft, the Director observed that UNDP was working with United Nations organizations such as the United Nations High Commissioner for Refugees, International Fund for Agricultural Development, the United Nations Office on Drugs and Crime, the World Intellectual Property Organization, UNFPA and UNOPS, as well as the World Bank and the International Monetary Fund.

59. The release of the first version of the ERP with 17 modules, including finance, procurement, human resources and results-based management, was on target for launching in January 2004. The implementation of the ERP would help to improve the efficiency and effectiveness of office operations. Well-qualified programme staff officers would be recruited. Those changes would result in reducing the size of staff in country offices. Inactive trust funds and other data would be cleaned up. He added that UNFPA and World Food Programme receivables, related to the Reserve for Field Accomodations, would be closed very soon.

60. The Director concluded by observing that significant improvements had occurred in country offices thanks to the introduction of new financial regulations and rules, manuals and staff training. The introduction of ERP would help country offices to work better.

61. The Executive Board adopted decision 2003/5 (see document DP/2003/10) on the implementation of the recommendations of the Board of Auditors 2000-2001.

UNOPS

62. The Deputy Executive Director, United Nations Office for Project Services (UNOPS), introduced the follow-up to the report on the implementation of recommendations of the Board of Auditors for the biennium 2000-2001 (DP/2003/7). Delegations raised four specific issues: (a) the need for simplification of the financial relationships between UNDP and the service provider; (b) the importance of utilizing audits as management tools; (c) the use of Junior Professional Officers (JPOs); and (d) the importance of recommendations of the Board of Auditors on the financial situation of UNOPS.

63. In response, the Deputy Executive Director observed that the relationship between UNDP and UNOPS was indeed complex. UNDP was both an important UNOPS client and its major service provider both at headquarters and in country offices. He reported on the significant progress that had been made regarding reimbursements for services rendered, which were done as much as possible in a clear and transparent a manner. The new UNDP guidelines on reimbursements to country offices, which were transaction based, were particularly useful. Regarding auditing, he noted that, in the context of providing supervision and loan administration services to projects financed by the International Fund for Agricultural Development, UNOPS regularly assisted national staff in the use of audit recommendations as management tools since such projects were implemented under the national execution modality by national entities.

64. He clarified that UNOPS did not agree with the recommendation of the Board of Auditors that had linked the expanding use of JPOs to the financial difficulties of UNOPS, which gave the impression that JPOs were providing "free labour". He stressed, however, that UNOPS was pleased to expand its use of JPOs and underlined the responsibility of UNOPS to train and prepare them for long-term careers with UNOPS or other United Nations organizations.

65. He concluded by acknowledging UNOPS appreciation of the reviews and recommendations of the Board of Auditors that have proved particularly useful in establishing and monitoring business targets in the context of UNOPS business planning and budgeting exercises.

66. The Executive Board adopted decision 2003/5 (see document DP/2003/10) on the implementation of the recommendations of the Board of Auditors 2000-2001.

UNFPA

67. The Deputy Executive Director (Management) introduced the UNFPA report entitled Follow-up to the report of the United Nations Board of Auditors for 2000-2001: Status of implementation of recommendations (DP/FPA/2003/1). She highlighted that in their review of the biennium ended 31 December 2001, the Board of Auditors had issued an unqualified audit opinion. She underscored that UNFPA was fully committed to implementing recommendations of the Board of Auditors, including those regarding audits of nationally executed programmes. She added that UNFPA had made structural improvements to overall accountability and internal controls. In order to strengthen accountability and compliance, the implementation of audit recommendations had been included in the performance assessment of senior staff. The Fund had joined UNDP in the development of the Enterprise Resource Planning (ERP) system. The ERP, coupled with modernized electronic communications and improved connectivity, would facilitate up-to-date information/data exchange between headquarters and the country offices and greatly improve the management of nationally executed expenditures.

68. Several delegations commended UNFPA on the measures taken and the progress achieved in implementing the recommendations of the Board of Auditors and encouraged the Fund to continue with the full and timely implementation of recommendations. While emphasizing the need for fiscal discipline, one delegation underscored the responsibility of donors in providing UNFPA with adequate and

stable core resources. Several delegations welcomed the forthcoming finalization of service-level agreements for services provided by UNDP to UNFPA. A number of delegations commended UNFPA, UNDP and UNOPS on their efforts to develop a common fraud prevention plan. Some delegations urged UNFPA to bring to a rapid conclusion the outstanding matter with UNDP concerning the advance in respect of field accommodation. Delegations underscored that compliance with financial and management procedures by country offices was vital for results-based management and reporting. Noting their concern that nationally executed programmes presented challenges to accountability and transparency, some delegations urged capacity-building, including the use of country programme resources to train national auditors.

69. One delegation expressed concern regarding the modified audit reports issued by the Board of Auditors for UNDP, UNFPA and UNOPS and urged all three organizations to intensify their follow-up action with respect to accountability of implementing partners and audit coverage of nationally executed expenditures. A number of delegations encouraged UNFPA, UNDP and UNOPS to seek out and share best practices and to continue to work towards harmonization of procedures and regulations. One delegation appreciated the recent update by UNDP on follow-up measures and encouraged UNFPA to provide a similar update. One delegation emphasized that the United Nations system should not lag behind in taking advantage of information and communication technology (ICT). While underscoring the importance of the "human touch", the delegation urged the wide dissemination of knowledge about ICT, so that all countries could benefit from globalization.

70. The Deputy Executive Director (Management) thanked the delegations for their constructive comments and guidance and noted that UNFPA appreciated the advice and comments of the Board of Auditors. She thanked the delegation that had urged all donors to ensure that UNFPA had stable and adequate income. She confirmed that some service-level agreements had already been signed and the rest would be completed shortly. She agreed that it was important to rapidly conclude the matter concerning the advance in respect of field accommodation. She pointed out that the matter was not under the sole control of UNFPA as it jointly concerned UNFPA, UNDP and UNICEF. Regarding nationally executed programmes and their financial management, she concurred that capacity-building in that regard was vital. She pointed out that UNFPA was engaged in such capacity-building and the strengthening of country offices, including through the use of operations managers. She added that the ERP would also contribute to improving financial management. She noted that UNFPA was working on harmonization of procedures and regulations with other United Nations Development Group (UNDG) partners and she agreed that it would be useful for UNDG members to share best practices.

71. The Director, Division for Oversight Services, thanked the delegations for the encouraging remarks and advice. She assured the Executive Board that UNFPA made every effort to undertake timely follow-up to the recommendations of the Board of Auditors. She noted that at times the Fund was constrained from full and expeditious follow-up because of limited human resources in the organization and also because some of the recommendations had system-wide implications. She updated the Board on project audit coverage for 2000-2001, noting that final data indicated that actual coverage was 86 per cent, a significant increase compared to the previous biennium. She underscored that UNFPA continued to work with

country offices to improve their management practices and to ensure that they received the appropriate guidance.

72. The Executive Board adopted decision 2003/5 (see document DP/2003/10) on the implementation of the recommendations of the Board of Auditors 2000-2001.

VIII. Report to the Economic and Social Council

UNDP

73. The Director, Bureau for Resources and Strategic Partnerships (BRSP), introduced the report to the Economic and Social Council (DP/2003/5). Delegations congratulated UNDP for the high quality of the report, while stressing the need for a more analytical approach.

74. Delegations called for a more harmonized, unified and coordinated approach to the work of United Nations organizations, including the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), with a view to improving effectiveness and efficiency and reducing transaction costs on national authorities. They emphasized the importance of joint meetings of the Executive Boards, joint monitoring and evaluation, and joint field missions, and underscored the need to demonstrate results on the ground, including the impact of UNDP in the poverty reduction strategy papers process.

75. Evolving relations with the Bretton Woods institutions, in particular the World Bank, were appreciated. Delegations advocated the strengthening of relations with the Bretton Woods institutions and called on UNDP to work closely with regional development banks.

76. While expressing their appreciation for improvements in gender balance – in particular at the resident coordinator level – delegations stressed the need to intensify such efforts. The importance of close monitoring and evaluation of the work of UNDP was also emphasized. Delegations called on United Nations organizations to share and compare the methodologies employed in monitoring and evaluation. Questions were also raised about the relationship between UNDP and the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) and the impact of the replenishment of the International Development Association (IDA) on the UNDP resource situation.

77. The Director, BRSP, responded to the comments and issues raised. He noted the wish of the Executive Board to see more analytical reports and results on the ground, and the need to focus on areas where constraints were experienced, including strategies to address them. He affirmed that every effort would be made to ensure the necessary improvements.

78. Much work had been done to promote partnerships with regional development banks, especially with the Inter-American Development Bank and the African Development Bank. Likewise, discussions between UNDP and the Asian Development Bank had taken place to strengthen the partnership between the two organizations. He also observed that, as reported in previous meetings, it was too early to assess the impact on UNDP of the replenishment of the IDA.

79. On the role and impact of UNDP in the poverty reduction strategy papers process, the Director noted that the Evaluation Office was assessing the contribution of UNDP. Accordingly, the Executive Board would be briefed upon receipt of the evaluation report. He reiterated the commitment of UNDP to improve gender balance and mainstreaming in the organization, noting that efforts had been made to hire external female candidates to overcome structural deficits within the organization.

80. The Director stated that UNDP participated in the work of OECD/DAC in an observer capacity, within the legislative framework established by the Executive Board, as it did in other group meetings. He also explained that the references in the report to the relationship between UNDP and OCHA addressed efforts to strengthen the spirit of partnership between the two. He underlined that UNDP would continue to strengthen that partnership.

81. The Executive Board took note of the UNDP report to the Economic and Social Council (DP/2003/5) and agreed to transmit it to the Council with the comments made thereon.

UNFPA

82. The Deputy Executive Director (Programme) introduced the UNFPA report to the Economic and Social Council (DP/FPA/2003/2). He noted that the report examined a number of key issues identified in consultations among the members of the United Nations Development Group (UNDG). He highlighted four sections of the report of particular importance to UNFPA: funding for operational activities for development; capacity-building; humanitarian assistance; and follow-up to international conferences and the Millennium Development Goals (MDGs). He underscored that prospects for meeting the MDGs depended also on meeting the goals of the International Conference on Population and Development (ICPD), notably with regard to gender equality and universal access to reproductive health services by 2015. He emphasized that the MDGs could not be achieved without addressing population issues.

83. During the discussion, several delegations noted the progress made by UNFPA in light of the triennial comprehensive policy review (E/1998/48) and the MDGs, and expressed support for integrating ICPD goals, particularly those pertaining to reproductive health and rights, in the MDGs. One delegation was interested in knowing how UNFPA was helping to ensure that reproductive health and rights featured within sector-wide approaches (SWAps) and poverty reduction strategy papers (PRSPs). The delegation also asked if those areas were properly addressed within the context of national MDG reporting. A number of delegations appreciated the Fund's work in the area of capacity-building and emphasized that it was critical to build the capacity of recipient countries in the areas of population and development. Concerning staff arrangements under the new typology of country offices, one delegation stated that instead of uniform criteria the particular needs of individual countries should be taken into account. Several delegations commended the Fund's efforts to strengthen partnerships with foundations and the private sector. One delegation welcomed the collaboration with the World Bank and asked about the effect on UNFPA of the latest replenishment of the International Development

Association (IDA). Referring to the volatility of funding, one delegation encouraged UNFPA to further broaden its donor base in order to avoid over-dependence on a limited number of donors.

84. A number of delegations stressed the importance of coordination and collaboration among United Nations agencies and organizations. To illustrate the point, one delegation noted that the evaluation of UNAIDS had revealed that coordination of HIV/AIDS activities at the country level fell short of what was necessary to combat the epidemic. The delegation added that merely sending more money or personnel to the field would not necessarily increase efficiency and effectiveness -- what was required was an adequate skill mix. One delegation stated that it wished to see tangible results of how UNDG members were promoting joint programming, evaluations and assessments, among other things. The delegation stressed the need to reduce the burden on programme countries resulting from too many analyses and evaluation reports and meetings. One delegation asked for more information on building institutional capacity for monitoring and evaluation. One delegation, while urging greater alignment in the evaluation work done by United Nations funds and programmes, remarked that evaluation resources within the United Nations system should increasingly be pooled together. One delegation asked how UNFPA and UNDP intended to speed up and further stimulate coordination efforts among the UNDG members.

85. Several delegations stressed that the report should have been analytical, realistic and problem-oriented. They noted that while an impressive range of activities had been mentioned there was no clear indication in the report of concrete results or impacts achieved at the country level. The delegations pointed out that the report should focus on results, outcomes and impacts, as well as the challenges that lay ahead. One delegation added that future reports to the Economic and Social Council would benefit from a more in-depth analysis of how United Nations reforms were improving programming. One delegation asked why the report contained no reference to the Office for the Coordination of Humanitarian Affairs (OCHA).

86. One delegation welcomed the Fund's commitment to results-based management and asked how the new tools and systems were being used and what difference they were making to tracking performance on a routine basis. With regard to gender mainstreaming, one delegation was pleased to note that women occupied 47 per cent of all professional posts at UNFPA. Some delegations wished to see more reporting on results, impacts or indicators of progress in terms of gender. The delegations asked to know more about how men were included in the Fund's programme activities. With regard to the resident coordinator system, one delegation welcomed UNDG efforts to address the issue of gender imbalance and asked to know what were the causes of the persisting imbalance. One delegation was concerned that currently there were no resident coordinators recruited from UNFPA. One delegation was interested in knowing more about the resident coordinator "coordination competency" and why it was important for the work of UNFPA.

87. A number of delegations asked for more information regarding the preparations to mark the tenth anniversary of ICPD. One delegation noted that in the Fund's consultations, in the run-up to the tenth anniversary, there should be a focus on progress achieved to date in implementing the ICPD Programme of Action. While stating that the tenth anniversary of ICPD ought to have a strictly ceremonial and technical nature, one delegation underscored that the focus should remain on

strengthening the commitment to implementing the ICPD Programme of Action and the key actions for its further implementation.

88. The Deputy Executive Director (Programme) thanked the delegations for their constructive comments and concurred that coordination was very important for the United Nations system. He stated that a great deal of progress had been made in the area of United Nations reform, including in the area of coordination. He noted that while there had been encouraging developments related to the United Nations Development Assistance Framework (UNDAF), simplification and harmonization, the MDG workshop and the work of the United Nations country teams, many challenges remained with regard to results-oriented planning and implementation, as well as participation in PRSPs and policy dialogue. He added that quality assurance issues were being addressed with regard to United Nations common country assessments (CCAs) and UNDAFs. He stated that as an active member of UNDG, UNFPA had participated in and contributed to a number of working groups and task forces that were focusing, inter alia, on such issues as simplification and harmonization. He hoped that in the future the Fund's contributions to SWAps and PRSPs would become more visible. He noted that with the completion of the Fund's transition process, the focus would be on driving the programme operations process and systems development, in ways consistent with UNDG thinking on streamlining operations, developing indicators, statistical mapping and MDG monitoring. He observed that UNFPA was working on the Enterprise Resource Planning (ERP) system with UNDP.

89. With regard to the resident coordinator system, he noted the progress made and indicated that UNFPA would encourage more of its staff to seek resident coordinator positions. He pointed out that the partnership with the World Bank had been strengthened and collaboration had been expanded through many new activities, including a jointly organized training course to strengthen skills in such key policy processes as PRSPs and SWAps. Regarding the query on the IDA replenishment, he hoped that the United Nations system would develop successful models for wider replication to become part of national programmes that could be scaled up through IDA loans. He observed that the United Nations funds and programmes had much to contribute in countries making the transition from conflict to reconstruction, where the World Bank experience and linkage with national authorities might be limited. In that regard, noting the comparative advantages of the funds and programmes, he pointed out that collaboration with the World Bank could be further expanded.

90. In responding to the comments on capacity-building, he stated that in implementing the new typology of country offices the Fund would be flexible and responsive to specific country needs. He observed that in carrying out reforms the challenge was to link results-based management objectives and indicators with country programmes, CCAs and UNDAFs, and, at the same time, to strengthen monitoring and evaluation. Concerning the query on institutional capacity-building in monitoring and evaluation, he noted that UNFPA had developed a monitoring and evaluation toolkit and established a network of evaluation experts. He added that a great deal of collaboration was taking place among the evaluation experts of UNDG member organizations.

91. With regard to the query concerning mainstreaming men in reproductive health programme activities, he noted that UNFPA was committed to supporting gender mainstreaming in all its activities. For example, the attitudes of men and boys were

important factors considered in developing HIV/AIDS prevention strategies and activities. Concerning the query on OCHA, he stated that UNFPA had had excellent collaboration with OCHA, as well as with other United Nations organizations and non-governmental organizations. He added that the Fund had participated in 20 consolidated appeals processes led by OCHA. He also pointed out that it was only in recent years that UNFPA had managed to position itself as an effective and relevant humanitarian response agency. With regard to marking the tenth anniversary of the ICPD, he concurred with the views expressed by delegates and observed that UNFPA was awaiting the outcome from the working group mandated by the General Assembly. He noted that UNFPA was planning a national review process and some regional and technical meetings. He fully agreed that it was essential to maintain the momentum of implementing the ICPD Programme of Action.

92. The Executive Board took note of the UNFPA report to the Economic and Social Council (DP/FPA/2003/2) and agreed to transmit it to the Council with the comments made thereon.

UNFPA segment

Statement by the Executive Director

93. The Executive Director congratulated the members of the incoming bureau of the Executive Board on their election, and thanked the members of the outgoing bureau for their able guidance and leadership. In updating the Executive Board on key developments, she underscored that 2002 had been a difficult and challenging year for UNFPA. At the same time, it had been a year of overwhelming affirmation and support for the Fund and its mission. Most recently, the commitment to implementing the Programme of Action of the International Conference on Population and Development (ICPD) had been reaffirmed at the Fifth Asian and Pacific Population Conference, held in Bangkok, Thailand, in December 2002. She underscored the affirmation and support for the indispensable recognition of population and reproductive health as a key underpinning for achieving the Millennium Development Goals (MDGs). She noted that affirmation and support for women's rights and women's reproductive health and for the work of UNFPA were also clearly visible in the "34 Million Friends Campaign", a grass-roots campaign started by two American women to mobilize $34 million for the Fund.

94. She noted that the Fund's 18-month transition process had been completed in December, on schedule. The driving aim of the transition was to strengthen the capacity of UNFPA and its staff to work strategically within the Millennium agenda and to plan and manage for results. She stated that the work done in the context of the transition would underpin the Fund's organizational priorities in 2003. Turning to the crucial issue of resources, she underscored the importance of core resources and the neutrality and universality that they brought with them. While noting the serious financial crisis that UNFPA had faced in 2002, she observed that resource mobilization would remain a major challenge in 2003 and beyond. She thanked the Fund's major donors for their strong support and emphasized that a record number of programme countries, in spite of their own financial constraints, had made

contributions to UNFPA. She noted that 131 countries had pledged financial contributions to UNFPA during 2002, a new all-time record.

95. In highlighting the Fund's partnerships within the United Nations system, including the important work being done by the United Nations Development Group (UNDG) in support of country offices, she stated that it was gratifying to see the commitment of the United Nations funds and programmes to simplify, harmonize and respond with a renewed sense of commitment to the second phase of the Secretary-General's reform. She updated the Executive Board on the Fund's strengthened relationship with two key partners, namely, the World Bank and the World Health Organization. She also highlighted the Fund's efforts to increase its participation in the poverty reduction strategy paper (PRSP) process. She hoped that some extrabudgetary resources would become available to specifically address developing the Fund's capacity to participate in PRSPs, sector-wide approaches and other national development dialogues.

96. With regard to implementing the ICPD Programme of Action, she noted that in approaching the mid-point of the 20-year Programme of Action it was important to have a pragmatic and constructive country-by-country analysis of achievements and constraints. She stated that UNFPA had initiated a field inquiry on national experiences, in both developing and developed countries. UNFPA was also exploring other avenues to analyse national experiences and lessons learned. The Executive Director concluded her statement by expressing profound appreciation to the Executive Board for the overwhelming support provided to UNFPA.

97. Thirty-three delegations took the floor to express their strong support and firm commitment to UNFPA. The delegations thanked the Executive Director for her dynamic leadership and for her excellent and inspiring statement. Numerous delegations thanked UNFPA for the assistance provided to their countries, particularly in the area of population and development, including reproductive health. Underscoring the important role of UNFPA in helping countries to implement the ICPD Programme of Action and achieve the MDGs, numerous delegations affirmed their political and financial support for UNFPA. Delegations were pleased to note the Fund's efforts in ensuring that the MDGs had a more visible place in its work. Numerous delegations emphasized that the goals of the ICPD Programme of Action, particularly those pertaining to reproductive health, were essential to achieving the MDGs. One delegation commended UNFPA for its active participation in the PRSP process and in the area of sectoral support.

98. Several delegations congratulated UNFPA on its serious efforts to address the shortfall in financial resources. Delegations emphasized that UNFPA needed predictable and increased core resources in order to carry out its mandate and assist countries in achieving the MDGs. Numerous delegations called on donor and other countries to increase their contributions to UNFPA. A number of delegations announced increases in their 2003 contributions to UNFPA. One delegation noted that while maintaining its core contribution to UNFPA it was ready to explore greater multi-bilateral support.

99. Several delegations underscored that UNFPA was the only multilateral organization focusing on population issues. Numerous delegations commended the Fund's work in such areas as reproductive health and rights, gender and women's empowerment. While observing that the past year had been a challenging one for UNFPA, one delegation noted that the situation had compelled countries to think

more thoroughly about the central importance of reproductive health to the development agenda. Delegations welcomed the Fund's 2002 report on the state of world population, and were pleased to note that the report highlighted, inter alia, the relationship of reproductive health to poverty reduction. One delegation pointed out that population issues could not be dealt with in isolation and should be regarded as part of a comprehensive development strategy. Several delegations were encouraged to hear about the Fund's efforts to enhance its efficiency and accountability. Numerous delegations commended UNFPA for its collaboration with other development partners, including the World Bank.

100. A number of delegations stated that they were impressed to note the commitment to the ICPD Programme of Action demonstrated at the Fifth Asian and Pacific Population Conference in Bangkok. One delegation appreciated the Fund's leadership in organizing the 2002 International Parliamentarians' Conference on the Implementation of the ICPD Programme of Action, held in Ottawa, Canada, in November. The delegation pointed out that the Ottawa Commitment was a tangible sign of renewed commitment to the promotion of reproductive rights and other critical principles of the ICPD Programme of Action, including universal access to reproductive health services, and the empowerment of women. One delegation encouraged UNFPA to support programme countries in collecting and disseminating best practices. Referring to the open-ended ad hoc working group established by the General Assembly on the integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields, one delegation stated that it looked forward to the contributions of the working group and urged UNFPA to take them into account in following up on the implementation of the ICPD Programme of Action and ICPD+5, as well as in marking the tenth anniversary of the ICPD.

101. The Executive Director thanked the delegations for their overwhelming support and assured the Executive Board that UNFPA would work diligently to produce results. She concurred that there were strong linkages between the goals of the ICPD Programme of Action and the MDGs. She underscored that meeting the reproductive health goals would be essential to achieving the MDGs. She noted that UNFPA looked forward to receiving inputs from the open-ended ad hoc working group, including with regard to marking the tenth anniversary of the ICPD. She stated that UNFPA would certainly contribute to consultations and the work of the working group. She expressed her deep gratitude to all the countries that had increased their contributions in 2002 and that planned to do likewise in 2003. In particular, she thanked the Netherlands for being a strong champion of the Fund. She also thanked all the countries that she had visited during 2002, and expressed warm appreciation for their hospitality, cooperation and the rich exchange of views. She concluded by reiterating her gratitude to all delegations for their firm support and commitment to UNFPA. She assured the Executive Board that UNFPA would remain firmly committed to ICPD principles and to implementing the ICPD Programme of Action.

IX. Country programmes and related matters

102. In his introductory remarks, the Deputy Executive Director (Programme) noted that the 23 programmes before the Executive Board represented the first group of country programmes to be approved under the new harmonized programming

procedures, in accordance with Executive Board decision 2001/11 on the UNDP/UNFPA programming process. He underscored that the country programmes reflected strong ownership by governments, active participation by the donor community and close collaboration between headquarters and the field. He added that UNFPA would continue to work closely with sister agencies to achieve greater harmonization, simplification and standardization of procedures.

103. At the request of a number of delegations, the Director, Africa Division, updated the Executive Board on the country programme for Côte d'Ivoire. Noting the current crisis in the country, she underscored that normal life and the delivery of essential services had been severely disrupted, and in some areas the delivery of health services had come to a virtual standstill. While cautioning that the current crisis might jeopardize the implementation of the new country programme, she emphasized that past experience had demonstrated that in conflict situations there was a heightened need for UNFPA assistance in the area of reproductive health. The crisis in Côte d'Ivoire had increased not only the relevance of, but also the urgent need for the Fund's interventions to reduce maternal mortality and the spread of HIV/AIDS and other sexually transmitted infections (STIs). She informed the Board that UNFPA had already been called upon to provide emergency assistance in the form of delivery kits for both displaced women and those forced to deliver at home due to the conflict. She stressed that UNFPA support to the country was greatly needed and should continue. She stated that UNFPA, in collaboration with the Government and other United Nations agencies, had prepared an emergency intervention plan in reproductive health focusing on the provision of delivery kits for pregnant women, management of obstetric complications, prevention of violence against women and girls and the prevention of HIV/AIDS and other STIs. She pointed out that initial programme implementation would focus on those areas, and once normalcy was restored, implementation of other components of the country programme would be initiated. She added that an update on the programme could be provided at the annual session in June 2003, if the Board so wished.

104. The Executive Board approved the following country programmes: Botswana, Burundi, Cameroon, Comoros, Côte d'Ivoire, Equatorial Guinea, Guinea-Bissau, Mali, Mauritania and Nigeria in the Africa region; Djibouti and Jordan in the Arab States region; Bangladesh, China, India, Maldives, Papua New Guinea, the South Pacific subregion, and Timor-Leste in the Asia and Pacific region; and Bolivia, Colombia, El Salvador and Venezuela in the Latin America and the Caribbean region.

105. Following the approval of the 23 programmes, the delegation of the United States stated that it continued to have deep concerns about UNFPA activities in China. Noting that while targets and quotas had been lifted in the 32 counties supported under the fourth country programme, other "coercive" practices aimed at limiting family size, including financial penalties and the loss of employment, had not been removed. The delegation urged UNFPA to address fully the issue of coercion and requested the Executive Director to report periodically on whether counties in which UNFPA operated had ceased coercive "birth limitation" practices. The delegation stated that it could not support the programme in its current form.

106. The delegation of China thanked the Executive Board for the approval of the China country programme. The delegation underscored that the new country programme had been prepared in line with the Programme of Action of the

International Conference on Population and Development (ICPD) and the Millennium Development Goals. The delegation noted that the views of Executive Board members had been extensively solicited during the programme design and formulation process, through their embassies in China, and many of the suggestions had been incorporated. The delegation pointed out that China had engaged in three rounds of high-level consultations with the United States regarding the content of the programme. The delegation stressed that it did not agree with the United States that the cooperation programme between China and UNFPA contained "coercive" elements. The delegation added that China supported the work of UNFPA and was willing to collaborate with all countries, including the United States, to strengthen the Fund's work and enhance the implementation of the ICPD Programme of Action to benefit humanity.

107. A number of other delegations took the floor to thank the Executive Board for the approval of the 23 country programmes and to express appreciation for the support provided by UNFPA to their respective countries. With reference to the country programme for Côte d'Ivoire, one delegation, speaking on behalf of Member States from the Western Europe and other States group, stated that it had taken note of the additional information provided by UNFPA. Recalling a point made earlier, during the UNDP segment, the delegation noted that it looked forward to finding ways to update a country programme to take into account exceptional circumstances arising after a programme had been finalized.

108. The Executive Director thanked the Executive Board for approving the 23 programmes. She assured the Board that UNFPA adhered closely to the letter and the spirit of the ICPD Programme of Action in implementing programmes.

X. Other matters

109. The Executive Board discussed and agreed to hold informal meetings on the multi-year funding framework, the *Human Development Report* and harmonization and simplification procedures before the annual session in June 2003.

110. The joint session of the Executive Boards of UNDP/UNFPA and UNICEF, with the participation of WFP, was postponed to the annual session 2003 to allow for adequate preparation.